



## DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION IN EQUITY TRADING – February, 2015

On a monthly basis, The Nigerian Stock Exchange polls trading figures from major custodians and market operators on their foreign portfolio investments (FPI). The table below shows an analysis of transactions on The Exchange at the end of February 2015.

**Table 1: Analysis of Transactions for the Period Ended 28 February 2015<sup>1</sup>**

Period	Total Transactions N' Billion	Total Foreign Inflow N' Billion	Total Foreign outflow N' Billion	Total Foreign transactions N' Billion	Total Domestic transactions N' Billion	Foreign %	Domestic %
Jan 2015	189.72	48.03	51.08	99.11	90.61	52.24%	47.76%
Feb 2015	184.49	52.35	81.60	133.95	50.54	72.61%	27.39%
Feb 2014 <sup>2</sup>	198.70	32.75	103.53	136.28	62.42	68.59%	31.41%
2015 YTD	374.21	100.38	132.68	233.06	141.15	62.28%	37.72%

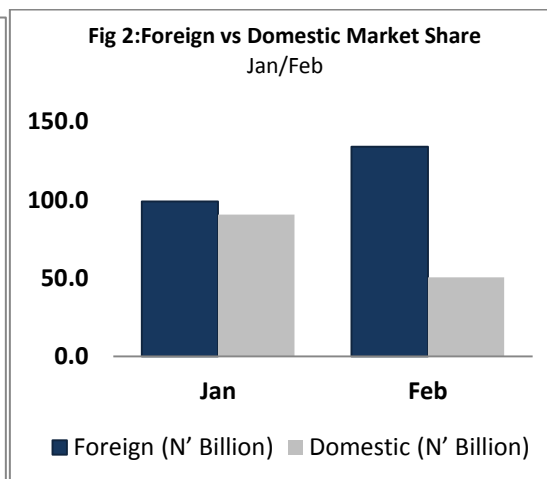
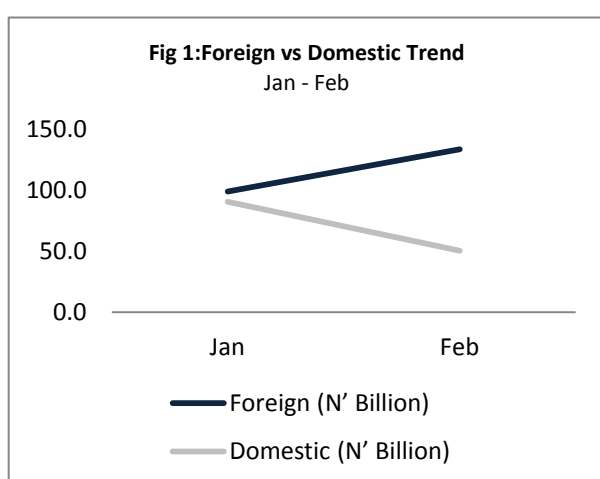
### Analysis

*Note the Significant increase in FPI outflows in February compared to January. This is however consistent with the same period in 2014.*

#### Domestic vs. Foreign 2015

Monthly FPI transactions at the nation's bourse which was N99.11 billion at the end of January 2015 increased to N133.95 billion (about \$0.68 billion) at the end of February 2015, up 35.15% from January 2015. Domestic investors conceded about 45.22% of trading to foreign investors as Domestic transactions decreased from 47.76% to 27.39% while FPI transactions increased from 52.24% to 72.61% over the same period.

In comparison to the same period in 2014, total FPI transactions decreased by 1.71%, whilst the total domestic transactions decreased by 19.03%. FPI outflows outpaced inflows which was consistent with the same period in 2014. Overall, there was a 7.15% decrease in total transactions in comparison to the same period in 2014.

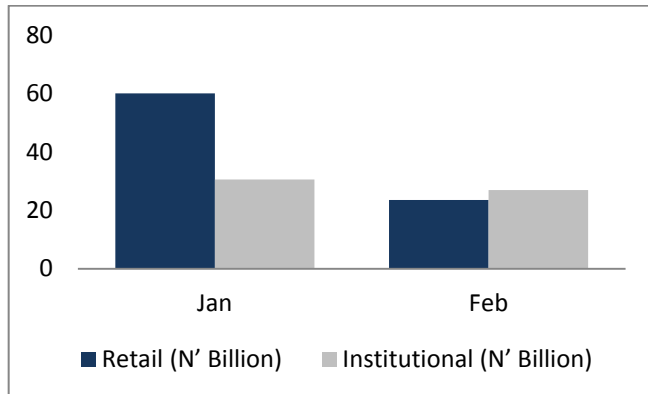


<sup>1</sup> Methodology - The FPI outflow includes sales transactions or liquidation of portfolio investments through the stock market, whilst the FPI inflow includes purchase transactions on the Nigerian Stock Exchange (Equities only).

<sup>2</sup> The January 2015 and February 2014 transactions are included for comparison to the February 2015 transactions.

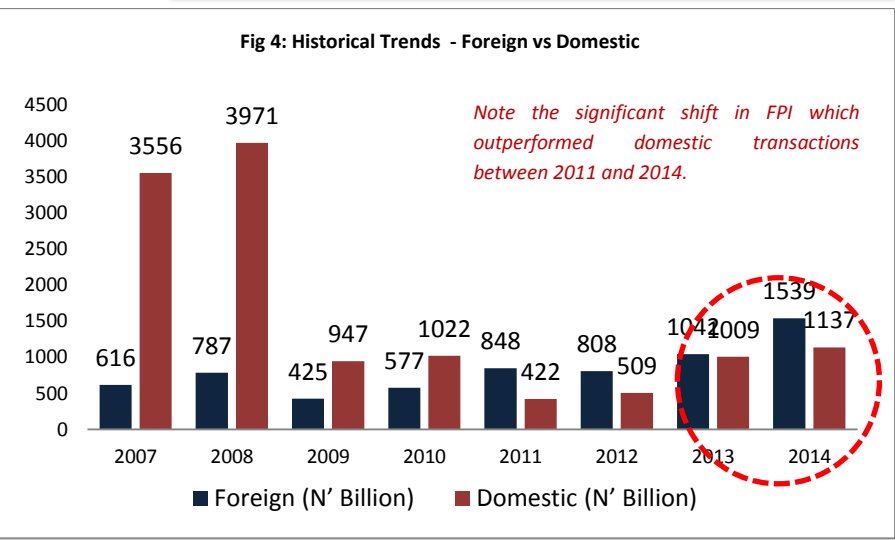


Fig 3: Retail vs. Institutional February 2015<sup>3</sup>



The graph in Fig 3 highlights the domestic composition of transactions on The Exchange between January and February, 2015. It illustrates that total domestic transactions decreased by 44.22% from January to February 2015. The institutional composition of the domestic market which was about 33.69% at the end of January increased to 53.32% at the end of February, whilst the retail composition decreased from 66.31% to 46.68% in the same period.

Total FPI transactions of N616bn which accounted for 14.8% of total transactions in 2007 increased over the years to N1,539bn representing 57.5% of total transactions in 2014 (An increase of 42.7% over the 7 year period). Domestic transactions on the other hand started at N3,556bn representing 85.2% in 2007, but decreased significantly to N1,137bn representing 42.5% of total transactions in 2014 (A sharp decline of 42.7% in the 7 year period).



<sup>3</sup> Information on the retail and institutional components of the total domestic transactions in February is based on data obtained from about 95% of Active Dealing Members of The Exchange.